

CATTAIL BANCSHARES, INC.

P.O. BOX 755
ATWATER, MN 56209

Phone (612) 974-8861

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(D. Roman)

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ATWATER STATE BANK
222 Atlantic Avenue
P.O. Box 755
Atwater, MN 56209
(612) 974-8861

STATE BANK OF KIMBALL
75 Main Street North
P.O. Box 70
Kimball, MN 55353
(612) 398-3500

SAINT AUGUSTA BANK OFFICE
State Bank of Kimball
24952 County Road 7
St. Cloud, MN 56301
(612) 251-6100

Sept. 19, 2005

FDIC - San Francisco Regional Office
Regional Director John F. Carter
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, CA 94105

Dear Mr. Carter:

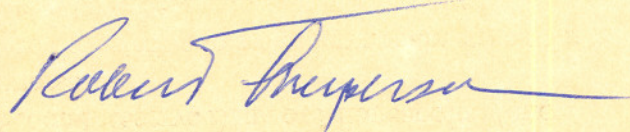
I am incredulous that the FDIC would entertain the idea of affording fund coverage to Wal-Mart (unless you have no choice). The fund is already beset by mammoth banks that adversely impact the risk profile of insureds as originally conceived, i.e. that the more small insureds you have the easier it is to spread the risk of insuring any one of them. This is a variation on Burnoulli's law of large numbers, the basis of all insurance, according to which the greater the number of items in a set, the less likely that any one will skew the average.

Wal-Mart, despite its protestations, stands be another major depository institution once it receives its charter and its insurance. At a time when the Fed is wrestling with the problem of Too Big to Fail (see The Region, Sept., 2005, Federal Reserve Bank of Minneapolis) fund insurance for Wal-Mart only makes the matter worse.

As you may be well aware, Wal-Mart has been devastating to small town main streets for years. Their buying, out-sourcing and wage policies have been good for a segment of its customers, but have meant the closing of stores in smaller towns. Our own town, 15 miles from a Wal-Mart, has lost a hardware, variety and drug store over the past few years. While it is hard to attribute that directly to Wal-Mart -- our county seat also has a Target, Kmart and Home Depot -- it all piles on. And with the loss of local stores you lose local volunteers and contributors for our various organizations. It is a vicious cycle: fewer businesses weaken the existing businesses, which weakens the public minded talent pool, which further weakens the attractiveness of the community for business and living purposes.

Of course, there is also the issue of our banks having paid into the fund since its 1933 inception, though I hope Congress will correct this anomaly soon. Please turn Wal-Mart down: it offers no benefit to the FDI fund, but only threatens its actuarial soundness.

Sincerely,



Robert Meyerson, Pres.